

Amendment No. 1 to SB0177

Briggs
Signature of Sponsor

AMEND Senate Bill No. 177

House Bill No. 189*

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 57-5-101(c)(2), is amended by deleting the subdivision.

SECTION 2. Tennessee Code Annotated, Section 57-5-101, is amended by adding the following as a new subsection:

(1) Notwithstanding subdivision (a)(2), a manufacturer brewing not more than twenty-five thousand (25,000) barrels of beer or high alcohol content beer, or both, annually and operating as a retailer pursuant to subsection (c) may self-distribute the beer that it manufactures directly to retailers:

(A) In the county in which the manufacturer is located; and

(B) Outside the county in which the manufacturer is located, if the manufacturer:

(i) Self-distributes not more than one thousand eight hundred (1,800) barrels of such manufacturer's beer annually; and

(ii) Is not prohibited from self-distribution in the particular county by the manufacturer's contract with a beer wholesaler.

(2)

(A) A manufacturer self-distributing outside the county in which the manufacturer is located pursuant to subdivision () (1)(B) shall not self-distribute more than one thousand eight hundred (1,800) barrels of its beer annually in this state regardless of the number of manufacturing locations.

(B) If a manufacturer self-distributes more than one thousand eight hundred (1,800) barrels in a year, including in one (1) or more counties outside the county in which the manufacturer is located, the manufacturer shall enter into a contract with a wholesaler to distribute the manufacturer's beer within ninety (90) days of exceeding such limitation.

(3) A manufacturer shall certify its total volume of annual self-distribution as a part of the reporting required by § 57-6-105.

(4) A manufacturer self-distributing beer pursuant to subdivision () (1) shall collect and pay all taxes imposed by §§ 57-5-201 and 57-6-103. Any distribution, sale, or transfer of beer by a manufacturer directly to a beer retailer constitutes a wholesale sale for purposes of taxation.

(5) To determine the exact amount of tax owed on sales of beer and to facilitate the collection thereof, a manufacturer self-distributing beer pursuant to subdivision () (1) shall register separately with the commissioner of revenue as a wholesaler pursuant to § 57-5-102 and shall comply with the requirements for licensing as a wholesaler, including, without limitation, the permitting, reporting, and bonding requirements imposed by §§ 57-5-103, 57-6-104, 57-6-105, 57-6-107, and 67-6-410. In addition to the information required by § 67-6-410(b), such manufacturers shall report quantities of beer sold for consumption on the manufacturer's premises.

SECTION 3. Tennessee Code Annotated, Section 57-5-201(d), is amended by adding the following as the second sentence thereof:

Any such self-distribution or sale by a manufacturer of its beer directly to a retail dealer of beer constitutes a wholesale sale for purposes of taxation.

SECTION 4. This act takes effect October 1, 2021, the public welfare requiring it.